



EQUITY MANAGEMENT, LLC

AUGUSTA COURT

1819 Augusta Drive
Houston, TX 77057



AUGUSTA COURT

HM Equity Management Impex Capital Group

There are a few reasons why the next 6-24 months could be one of the best times to buy multifamily assets:

- **Prices are falling:** The commercial real estate market has been overheated in recent years, and prices have reached record highs. However, the market has already fallen from 10-20%, and while prices are expected to continue to fall the rate of decline is slowing as the Fed rate hikes have slowed. This has provided investors with an opportunity to buy multifamily assets at a discount to the market highs.
- **We are headed for a market bottom:** The commercial real estate market is cyclical, and it is currently in the middle stages of a down leg. This means that we are likely headed for a market bottom in the next 6-24 months. This could be a great time to buy multifamily assets, as prices will likely be at their lowest point before prices begin an upward trajectory again.
- **Demand for multifamily housing is growing:** The demand for multifamily housing is expected to continue to grow in the coming years. This is due to a number of factors, including the aging population, the increasing number of single-person households, and the rising cost of homeownership. This growing demand could provide investors with a strong rental income stream from their multifamily assets.



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Address	1819 Augusta Dr Houston, TX 77057
Year Built	1982
# of Units	150
# of Buildings	4
Parking Spaces	221
Elevators	4



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Community Amenities

Pool with Lounge furniture
24 Hour State of the Gym with Adjoining
Sauna
Storage Space for Rent
Monthly Resident Social Events
Media Room
Sundeck
Car Charging Stations
Garage
Gated Community
Elevators with Private Access Lobbies

Unit Amenities

Hardwood Floors
High Ceilings
Balcony with Pool View
Large Closets
Microwave
Dishwasher
Disposal
Refrigerator
Electronic Thermostat
In-unit Washer and Dryer
Fireplace



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Unit Mix

Floor Type	Number	Avg Sq. Ft.	Avg Rent	\$/SF
A1	6	825	\$1,235.83	\$1.50
A2	2	905	\$1,335.00	\$1.48
A3	92	985	\$1,250.37	\$1.27
B1	22	1350	\$1,612.82	\$1.20
B2	27	985	\$1,177.59	\$1.20



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Acquisition Model

Primary Debt Service	
Purchase Price	\$29,500,000
% Down	54%
Down Payment	\$15,909,350
Mortgage amount	\$13,590,650
Interest Rate	5.95%
AM.Term (250yr if int. only)	250
Annual Debt Service	\$808,644

Financing Breakdown			
		<u>LTV</u>	<u>Loan Amount</u>
PP	\$ 29,500,000	46.1%	\$ 13,590,650
Repairs	\$ 1,458,717	0.0%	\$ -
Soft costs	\$ 29,500,000	0%	\$ -
	\$ 29,500,000	46.1%	\$ 13,590,650
		69.50%	



Augusta Court

WATERFALL						
	Days:		365	365	365	365
Date		6/1/2022	6/1/2023	5/31/2024	5/31/2025	5/31/2026
Year of Ownership		0	1	2	3	4
TOTAL DEAL LEVEL CASH FLOWS		(\$9,893,728)	\$269,377	\$561,229	\$1,469,134	\$367,851
CUMULATIVE TOTAL DEAL LEVEL CASH FLOWS		(\$9,893,728)	(\$9,624,351)	(\$9,063,122)	(\$7,593,988)	(\$7,226,137)
Deal Level Returns						
	5 Year					
IRR (Not Including Pef Return Capital)		23.8%				
Profit		\$17,103,513				
Equity Investment		\$9,893,728				
Equity Multiple		2.73x				
1st Tier						
Beginning Balance			9,893,728	10,316,912	10,477,867	9,662,889
Preference	7.00%		692,561	722,184	733,451	676,402
Contr/(Distr)	100.00%	(9,893,728)	269,377	561,229	1,469,134	367,851
Investor Portion		(9,893,728)	269,377	561,229	1,548,429	367,851
Ending Balance		9,893,728	10,316,912	10,477,867	9,662,889	9,971,439
HM Equity Management Cash Flow Portion			0	0	(79,295)	0
Remaining Cash Flow		0	0	0	0	13,660,210
Investors	70.00%	0	0	0	0	9,562,147
HM Equity Management	30.00%	0	0	0	0	4,098,063
New Investment Partner Cash Flows						
1st Tier	100.0%	(9,893,728)	269,377	561,229	1,548,429	367,851
2nd Tier	100.0%	0	0	0	0	9,562,147
Return of Reserves						
HM Equity Management Internal Investor Total Return						
CASH FLOWS		(\$9,893,728)	\$269,377	\$561,229	\$1,548,429	\$367,851
CUMULATIVE CASH FLOWS		(\$9,893,728)	(\$9,624,351)	(\$9,063,122)	(\$7,514,693)	(\$7,146,842)
Cash on Cash (Total Remaining Investment)			2.72%	5.83%	17.08%	4.90%
						283.08%
Returns						
	5 Year					
IRR		19.8%				
Profit		\$13,084,745				
Equity Investment		\$9,893,728				
Equity Multiple		2.3x				
IRR 3 Year		24.5%	(9,893,728)	\$269,377	\$561,229	\$17,990,227
			2.72%	5.83%	17.08%	4.90%
						9.77%



AUGUSTA COURT

2-5 Year Hold Sales

2-5 Year Hold Sales Proforma

	<u>Sell Year 2</u>		<u>Sell Year 3</u>		<u>Sell Year 4</u>		<u>Sell Year 5</u>	
Exit Price Cap Rate	5.00%	\$ 42,503,688	5.00%	\$ 45,828,484	5.00%	\$ 47,203,339	5.00%	\$ 48,619,439
Price per door		\$ 283,358		\$ 305,523		\$ 314,689		\$ 324,130
Sales Exp	2%	\$ 850,074	2%	\$ 916,570	2%	\$ 944,067	2%	\$ 972,389
Closing Costs	1%	\$ 425,037	1%	\$ 458,285	1%	\$ 472,033	1%	\$ 486,194
Cap-ex if not included above	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Initial Loan Principal	\$	13,590,650	\$	13,590,650	\$	25,993,926	\$	25,993,926
Principal Paydown	\$	<u>0</u>	\$	<u>168,458</u>	\$	<u>322,199</u>	\$	<u>664,101</u>
Debt Service Payoff	\$	13,590,650	\$	13,422,192	\$	25,671,726	\$	25,329,825
Project Sales Equity	\$	27,637,927	\$	31,031,438	\$	20,115,512	\$	21,831,031
Return of PE Group Equity	\$	9,000,000	\$	9,000,000	\$	-	\$	-
Return of Investors Equity	\$	<u>9,913,728</u>	\$	<u>9,913,728</u>	\$	<u>9,913,728</u>	\$	<u>9,913,728</u>
Equity Creation	\$	<u>8,724,199</u>	\$	<u>12,117,710</u>	\$	<u>10,201,784</u>	\$	<u>11,917,303</u>
			\$	22,031,438				



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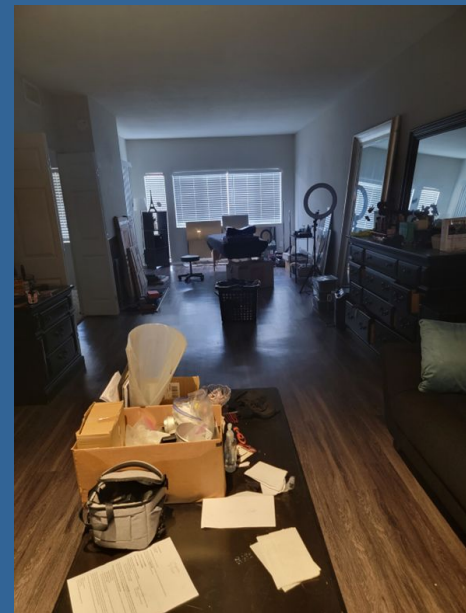






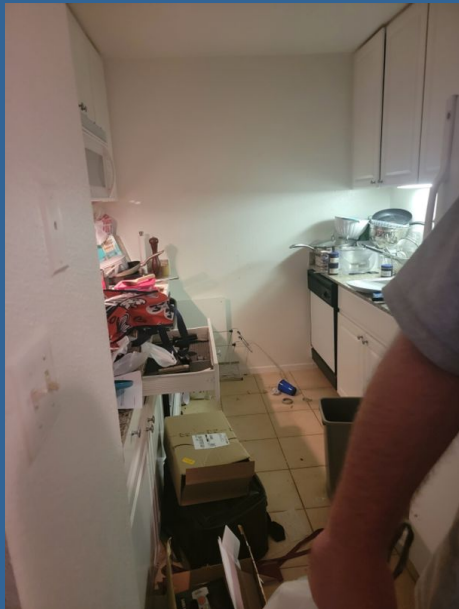


Before and After A1 -1BR/1Bath





Before and After A2 -1BR/1Bath





Before and After A3 -2BR/2Bath





Before and After B1 -2BR/2Bath



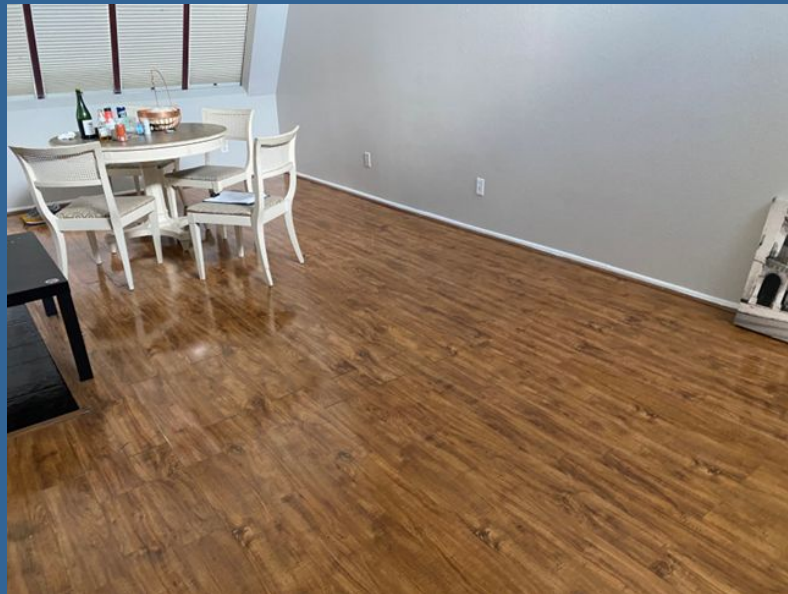


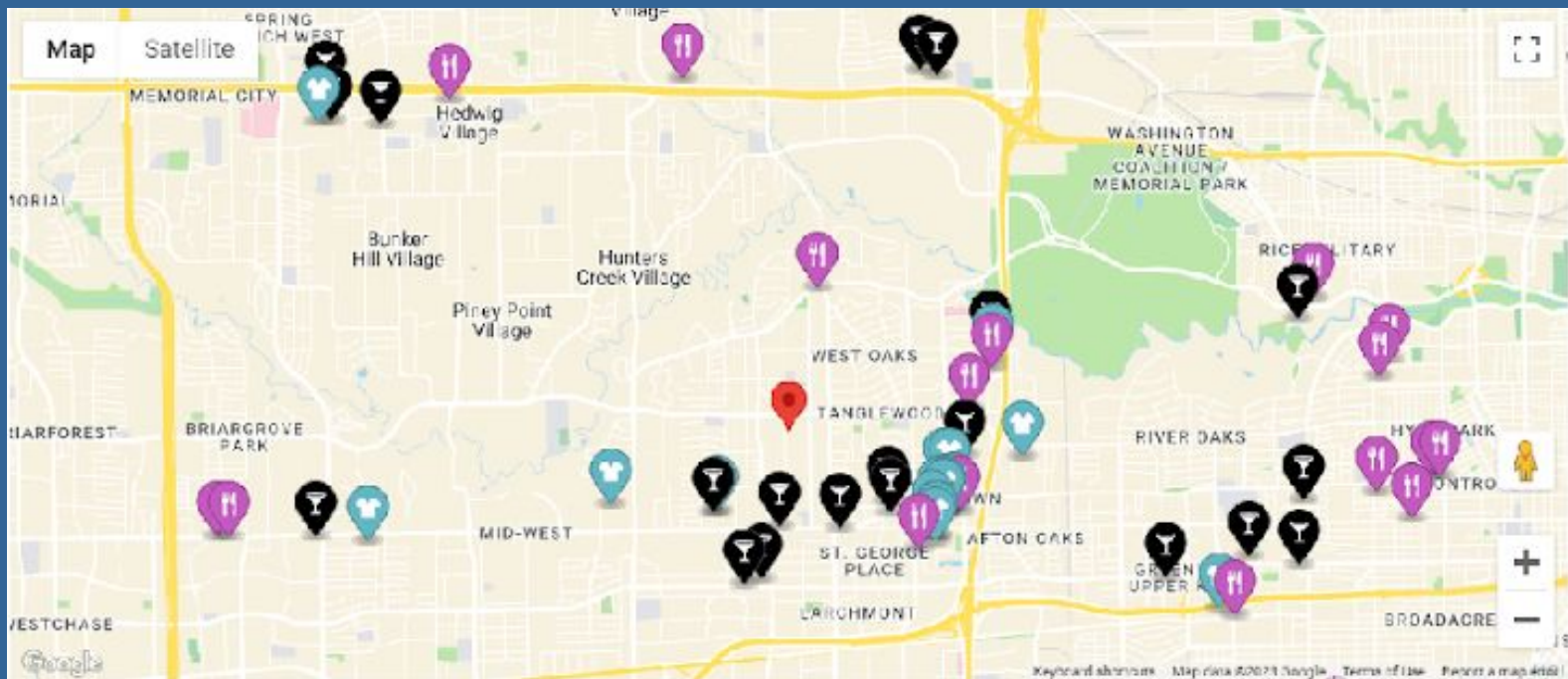
Before and After B2 -1BR/1Bath

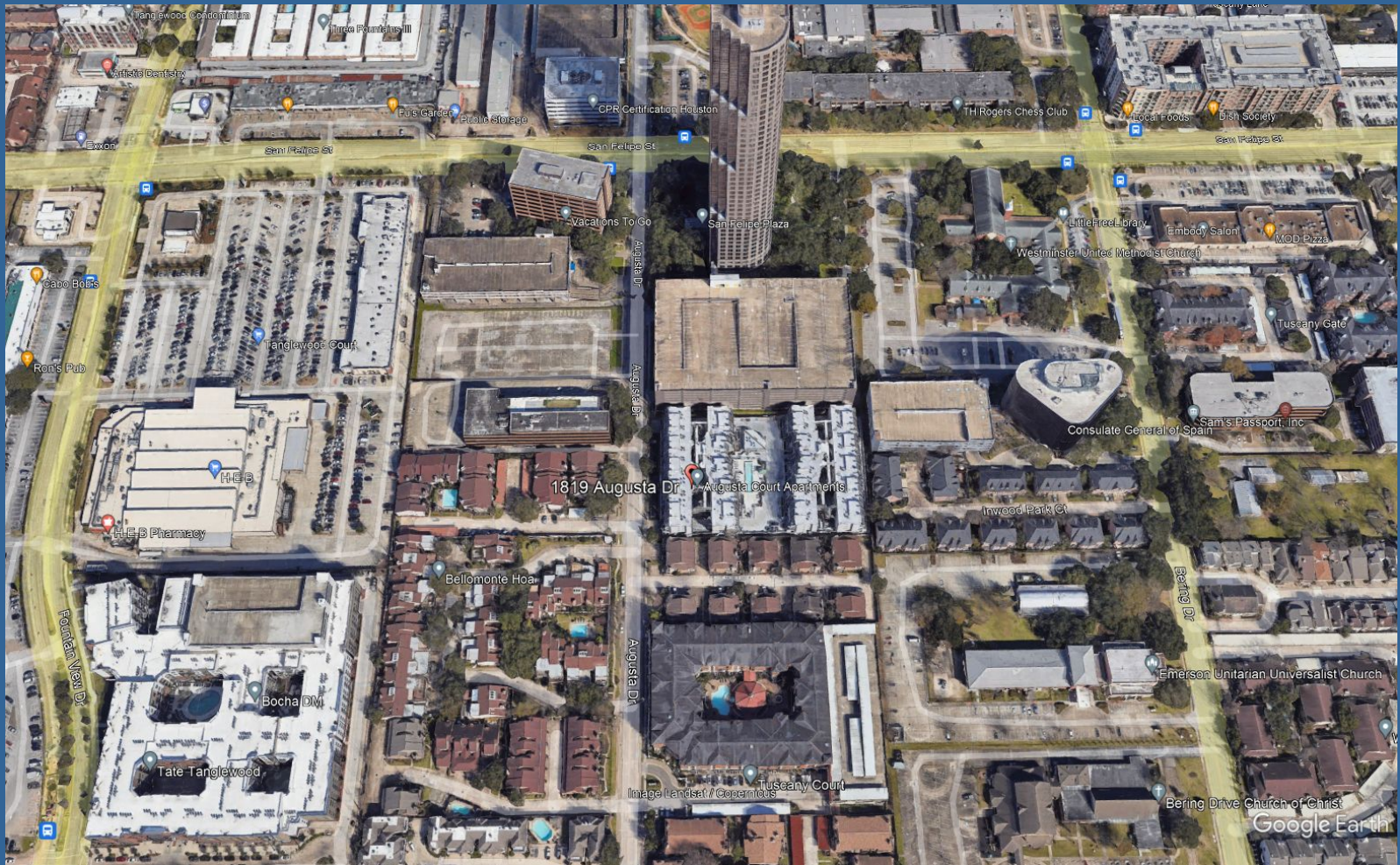




Before and After 4th Floor







1819 Augusta Dr

Image Landsat / Copernicus

Google Earth

Our Leadership



Ash Shah, MBA

General Partner

Ash Shah is the President & CEO of IMPEX Capital Group, a Houston-based commercial real estate investment firm. The firm owns and manages over \$1.8 Billion in various properties across the US, including ~\$800 Million in Houston and Texas, in general.

To date, IMPEX has acquired over 10,000 multifamily units, 750+ new Multifamily development & Built-to-Rent Communities, 600,000 sf of Industrial & Commercial office, and 400,000 square feet of Retail & Mixed Use. Mr. Shah's schedule of real estate ownership also includes Hotels, Assisted Living with Memory Care, Storage Facility and Land parcel for housing development.

Mr. Shah currently serves as a Co-Sponsor, Key Principal or Equity Owner in over 50 properties. Prior to entering the commercial real estate sector, Ash was the founder and CEO of Impex Global, a Plastic Films, Paper and Packaging products company. After expanding the business into locations all over North America and operations in several international markets, Mr. Shah successfully sold the business to a private equity firm in 2012.

Ash holds an MBA from Thunderbird Business School of International Management, and his company has been ranked in the "Top 100" and "Fastest Growing Company" by Houston Business Journal and Inc. 5000 magazine.

Mr. Shah is also a former "International Entrepreneur of the Year" award recipient from the Indo-American Chamber of Commerce and member of Forbes Financial Council.



www.impexcapitalgroup.com

Ownership & Management Experience

Multifamily, Office, Retail, Hospitality, Senior Living, Mixed-Use, Land, Storage





OUR LEADERSHIP

David Flores COO

David V. Flores is a 20 year professional in Commercial Real Estate Business. In his current role as Chief Operating Officer at Impex Capital Group he is involved in asset management, underwriting, acquisitions and capital market for their extensive portfolio. Previously, Mr. Flores held several prominent positions of Vice President and Director at Greystar Real Estate Partners, Nitya Capital, PM Realty and One Real Estate Investment. David has been involved in over \$2 billion in transactions. Notable projects include a turnaround portfolio worth \$450 million that comprised of 28 properties

in four major markets. In a separate two year period he led the effort in acquiring \$800 million in assets (24 properties) in 22 months. He has done single asset purchases to large portfolios and Class A high-rises to Class C turnarounds. He also has vast experience in property management, leasing and hand-on skills with financial analysis and valuation. David's background is a unique blend of breadth and depth in the multifamily business





OUR LEADERSHIP

IAN HANCOCK, PRINCIPAL

Ian Hancock moved to the United States from London, England in 2006 and founded HM Equity Management, LLC (“HMEM”) shortly after. Mr. Hancock has been engaged in the real estate investment arena since 1995 and built a significant portfolio of property in prime central London. Since settling in Houston, Mr. Hancock has been the lead partner in the acquisition of over \$400m in multi-family apartment communities in the Houston and San Antonio metro areas, totaling over 4000 units. As CEO of HMEM, Mr. Hancock oversees all day to day operational, financial and management aspects of running the portfolio.

He personally directs the detailed reporting and compliance platform, and IT and social media development projects that enhance the presence, brand and market awareness of HMEM within the industry. He is a previous winner of the Texas Apartment Association (TAA), Owner/Operator of the Year. Mr. Hancock holds a BSc (Hons) in Estate Management from the University of Reading and is also a professionally qualified Chartered Surveyor.





OUR LEADERSHIP

REUVEN BISK, PRINCIPAL

As a licensed attorney Reuven concentrated his practice in corporate, securities, and tax law with an expertise in real estate development and capital formation. He served as issuer's or underwriter's counsel for more than forty public and private, stock, bond, and partnership unit offerings totaling more than \$300 million in capital. As a developer, Reuven held an ownership position in luxury housing projects throughout the United States in Hawaii, Colorado, Nevada, Utah, Arizona, California,

and Texas. He also structured and closed more than \$500 million in sales, acquisitions, and investments in the corporate, real estate, energy, and leasing areas. Reuven began his career working as a Certified Public Accountant at Deloitte, a Big Four accounting firm.





CONTACT AND FURTHER INQUIRY



We'd love to hear from you.
Please feel free to get in touch with us.

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